

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 6/17/2014	(3) CONTACT/PHONE Cindy Collins, ASM, 788-2932; Amy Olson, ASO II, 781-4729	
(4) SUBJECT Request to approve renewal contracts for FY 2014-15 with Medical Doctor Associates, Inc., Jackson & Coker, DrWanted.com LLC, California Locums, P.C., and Daniel and Yeager, Inc. (Clerk's File) in the cumulative amount not to exceed \$297,000 to provide locum tenens (temporary) licensed psychiatrist services. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chairperson to sign the renewal contracts for FY 2014-15 with Medical Doctor Associates, Inc., Jackson & Coker, DrWanted.com LLC, California Locums, P.C., and Daniel and Yeager, Inc. in the cumulative amount not to exceed \$297,000 to provide locum tenens (temporary) licensed psychiatrist services.			
(6) FUNDING SOURCE(S) Medi-Cal, Realignment	(7) CURRENT YEAR FINANCIAL IMPACT \$297,000.00	(8) ANNUAL FINANCIAL IMPACT \$297,000.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { X } Consent { } Presentation { } Hearing (Time Est. ____) { } Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS { } Resolutions { X } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001419		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required { X } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A Date: <u>8-6-2013</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Anne Robin, LMFT, Behavioral Health Administrator

DATE: 6/17/2014

SUBJECT: Request to approve renewal contracts for FY 2014-15 with Medical Doctor Associates, Inc., Jackson & Coker, DrWanted.com LLC, California Locums, P.C., and Daniel and Yeager, Inc. (Clerk's File) in the cumulative amount not to exceed \$297,000 to provide locum tenens (temporary) licensed psychiatrist services. All Districts.

RECOMMENDATION

It is recommended that the Board approve and direct the Chairperson to sign the renewal contracts for FY 2014-15 with Medical Doctor Associates, Inc., Jackson & Coker, DrWanted.com LLC, California Locums, P.C., and Daniel and Yeager, Inc. in the cumulative amount not to exceed \$297,000 to provide locum tenens (temporary) licensed psychiatrist services.

DISCUSSION

The Health Agency's Behavioral Health Department requests approval to renew its contracts with Medical Doctor Associates, Inc., Jackson & Coker, DrWanted.com LLC, California Locums, P.C. (formerly known as Locumtenens.com, Inc.), and Daniel and Yeager, Inc. (formerly known as Psychiatrists Only, Inc.) which are locum tenens staffing agencies utilizing a nationwide pool of participating psychiatrists. Locum tenens assure proper mandated coverage and medical supervision at multiple clinic sites when permanent staff psychiatrist positions are vacant or coverage is needed due to vacations. The temporary agencies are able to provide a locum tenens psychiatrist within 60 days of our request.

There is a nationwide shortage of psychiatrists. A number of demographic and other factors continue to make this shortage especially prevalent in San Luis Obispo County, where demands for services exceed available resources. Recruitment and retention of this limited pool of licensed staff is impacted by competition from Atascadero State Hospital (ASH) and California Men's Colony (CMC). State salaries, retention bonuses, and retirement plans often draw potential candidates to ASH and CMC. However, a recent increase to the salaries of staff psychiatrists has made recruitment of these permanent positions easier and two new staff psychiatrists will begin working full time for the county during early FY 2014-15.

Although psychiatrist recruitment efforts continue, some permanent staff vacancies remain unfilled and wait times can increase for clients to receive psychiatrist assessments and medication support. The contracts with the locum tenens agencies will fill the gaps for mandated coverage throughout the clinics and help ensure the provision of timely client care.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the contracts as to form and legal effect.

FINANCIAL CONSIDERATIONS

The contracts establish hourly rates for contract services, which are provided on an as needed basis. The FY 2014-15 recommended budget includes 1,750 hours of locum tenens services at a cost of \$297,000. The FY 14-15 budget is \$186,000, or 63%, less than the FY 13-14 budget of \$483,000. The budget decrease for FY 14-15 is directly attributable to the hiring of two new staff psychiatrists. However, the recommended budgeted amount is an estimate that is intended to cover the additional capacity not available with existing permanent staff or our contracted psychiatrists. It is however possible that continued vacancies in staff psychiatrist positions will result in additional locum tenens expense that exceeds

the amount originally budgeted. Should this occur, the additional locum tenens expense will be offset with salary savings resulting from the corresponding staff psychiatrist vacancies. Alternately, if more vacant permanent psychiatrist positions are filled then fewer locum tenens hours will be utilized and these expenses can be expected to fall below the budgeted amount.

The hourly rates for locum tenens will remain the same as FY 14-15 for all contractors except two. DrWanted.com requested a rate increase of \$5 per hour for FY 2014-15, or 3%, over their 2013-14 rates. This increase was granted in order to standardize locum tenens rates, for the most part, and match their base rate with that of the other contracted locum tenens companies. California Locums, P.C. requested a rate increase of \$45 per hour over FY 14-15 rates, however after much negotiation, a rate increase of \$25 per hour, or 15%, was granted in order to facilitate referral of specialty and child psychiatrists who charge higher rates than psychiatrists who treat adults. Both of these rate increases will allow DrWanted.com and California Locums, P.C. to continue to refer quality doctors, in a timely manner, to the County.

The use of one contractor versus another can vary according to their ability to quickly provide appropriate staff at any given time. By contracting with more than one locum tenens provider, the Behavioral Health Department gains the flexibility to utilize one particular provider for all services, or a combination of providers during the year. The County will compensate each contract provider only for actual services rendered. By contracting with multiple providers, the Department furthers its ability to use its discretion in selecting the highest quality, most cost effective services available at any given time.

RESULTS

Psychiatric services are an integral part of all Behavioral Health programs and their outcomes. Psychiatrists provide psychiatric assessments and medication management to clients who are severely mentally ill or seriously emotionally disturbed. Psychiatrists are required to review and approve clinical documentation. Without these services, Behavioral Health cannot meet the availability and accessibility of service requirements mandated by the State.

The past few fiscal years have proved to be challenging regarding staffing for Psychiatrists, however during FY 13-14 salaries were increase for staff psychiatrists which facilitated the hiring of two new staff psychiatrists who will start during early FY 14-15. The Agency experienced a vacancy rate of approximately 3.5 FTE throughout fiscal years 2010-12 and an average of 2.0 FTE during FY 2012-14 to date despite intensive recruiting efforts. The locum tenens provided psychiatric outpatient clinic services equivalent to nearly 3.0 FTE during the period 2010-12 (5,978 average hours per fiscal year), nearly 2.25 FT (4,725 hours) during FY 2012-13, and 2.20 FTE (4553 hours) to date during FY 2013-14. The remaining shortages were covered by independent contracted psychiatrists.

Locum tenens bridge the vacancy gap in two ways: preventing clients from having to travel to the next closest clinic with a psychiatrist available on-site; and keeping the Medical Director from needing to providing coverage for psychiatrist vacancies too often and thereby unwillingly neglecting administrative duties. Not only would any sort of travel requirement for clients provide a substantial barrier to access, but the increased wait time for psychiatric assessments and proper treatment would increase the risk of adverse outcomes for these youth at home and school, including law enforcement involvement and suicide. Locum tenens contracts assist the Behavioral Health Department in providing the necessary psychiatrist coverage to maintain appropriate levels of care. Providing the most appropriate services to these clients increases their probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision of a healthy and safe community.

ATTACHMENTS

1. Clerk's Filed Cover Sheet for Locum Tenens group of contract renewals FY 2014-15